



Reprinted
March 4, 2014

ENGROSSED HOUSE BILL No. 1116

DIGEST OF HB 1116 (Updated March 3, 2014 4:52 pm - DI 110)

Citations Affected: IC 7.1-3; IC 7.1-4; IC 7.1-5; IC 14-18.

Synopsis: Alcoholic beverage matters. Allows the department of natural resources to permit, in the terms of a lease or contract concerning state owned land under the management and control of the department, the retail sale of alcoholic beverages for consumption on the licensed premises of an inn if the lessee or concessionaire applies for and secures the necessary permits. (Current law allows only for a lease or contract that concerns federally owned land under the control and management of the department.) Amends permit requirements for certain artisan distillers. Requires that, for a brewery to qualify as a microbrewery, the entire brewing process of the beer must occur in Indiana. Excludes certain sales and samples of beer from the 30,000 barrel limit for small brewers. Allows a microbrewery to sell the brewer's beer to consumers for carryout at a farmers' market that is operated on a nonprofit basis, in a quantity of not more than 576 ounces per consumer at any one time. Allows a microbrewery, with the
(Continued next page)

Effective: July 1, 2014.

Dermody, GiaQuinta, Eberhart

(SENATE SPONSORS — YODER, HERSHMAN, BANKS, RANDOLPH,
SKINNER)

January 9, 2014, read first time and referred to Committee on Public Policy.
January 23, 2014, reported — Do Pass.
January 27, 2014, read second time, ordered engrossed. Engrossed.
January 28, 2014, read third time, passed. Yeas 91, nays 4.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Public Policy.
February 27, 2014, amended, reported favorably — Do Pass.
March 3, 2014, read second time, amended, ordered engrossed.

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Digest Continued

approval of the alcohol and tobacco commission, to participate in a trade show or an exposition for not more than 45 days in a calendar year. Allows the holder of an artisan distiller's permit that also holds a microbrewery permit to hold a retailer permit for a restaurant. Makes an exception to a provision that prohibits the holder of an artisan distiller's, a distiller's, or a rectifier's permit to own, acquire, possess, or cause to be transferred to the holder shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail, or in a permit to sell at retail in Indiana, or to own or acquire an interest in the business being conducted under the permit, or in or to shares of stock in a corporation that owns a permit to sell at retail. Allows a farm winery permittee to sell not more than a total of 5,000 gallons of wine that is priced at less than \$301 per gallon during a permit year to holders of wine retailer's permits or wine dealer's permits.

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Reprinted
March 4, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1116

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-3-2-2, AS AMENDED BY P.L.71-2012,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 2. (a) The commission may issue a brewer's
4 permit for a brewery that manufactures more than thirty thousand
5 (30,000) barrels of beer in a calendar year for sale or distribution
6 within Indiana. The commission may issue a permit under this
7 subsection only to:
8 (1) an individual;
9 (2) a partnership, all the partners of which are bona fide residents
10 of Indiana;
11 (3) a limited liability company, all the members of which are bona
12 fide residents of Indiana; or
13 (4) a corporation organized and existing under the laws of Indiana
14 and having authority under its charter to manufacture or sell beer.
15 The permit does not limit the number of barrels of beer in a calendar
16 year that the brewer may manufacture for sale or distribution outside

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Indiana.

(b) The commission may issue a brewer's permit to a brewer for a brewery that manufactures not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana.

The following may not be counted toward the barrel limit under this subsection:

(1) The brewery's beer that is sold at a restaurant of which the holder of the brewer's permit is the proprietor.

(2) The brewery's beer sold by the glass for consumption on the permit premises as described in section 7(5)(G) of this chapter.

(3) Complimentary samples of the brewery's beer offered to consumers for consumption on the permit premises.

(c) The commission may issue a permit under this subsection (b) only to:

(1) an individual;

(2) a partnership organized and existing under the laws of Indiana;

(3) a limited liability company organized and existing under the laws of Indiana; or

(4) a corporation organized and existing under the laws of Indiana.

The permit does not limit the number of barrels of beer in a calendar year that the brewer may manufacture for sale or distribution outside Indiana.

SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.71-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

(1) Manufacture beer.

(2) Place beer in containers or bottles.

(3) Transport beer.

(4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.

(5) If the brewer's brewery manufactures not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana, **excluding beer sold or offered as described in section 2(b)(1), (2)(b)(2), and 2(b)(3) of this chapter, and the entire brewing process of that beer occurs in Indiana**, the permit holder may do the following:

(A) Sell and deliver beer to a person holding a retailer or a



- 1 dealer permit under this title.
- 2 (B) Be the proprietor of a restaurant.
- 3 (C) Hold a beer retailer's permit, a wine retailer's permit, or a
- 4 liquor retailer's permit for a restaurant established under clause
- 5 (B).
- 6 (D) Transfer beer directly from the brewery to the restaurant
- 7 by means of:
- 8 (i) bulk containers; or
- 9 (ii) a continuous flow system.
- 10 (E) Install a window between the brewery and an adjacent
- 11 restaurant that allows the public and the permittee to view both
- 12 premises.
- 13 (F) Install a doorway or other opening between the brewery
- 14 and an adjacent restaurant that provides the public and the
- 15 permittee with access to both premises.
- 16 (G) Sell the brewery's beer by the glass for consumption on the
- 17 premises. Brewers permitted to sell beer by the glass under
- 18 this clause must furnish the minimum food requirements
- 19 prescribed by the commission.
- 20 (H) Sell and deliver beer to a consumer at the permit premises
- 21 of the brewer or at the residence of the consumer. The delivery
- 22 to a consumer may be made only in a quantity at any one (1)
- 23 time of not more than one-half (1/2) barrel, but the beer may
- 24 be contained in bottles or other permissible containers.
- 25 (I) Sell the brewery's beer as authorized by this section for
- 26 carryout on Sunday in a quantity at any one (1) time of not
- 27 more than five hundred seventy-six (576) ounces. A brewer's
- 28 beer may be sold under this clause at any address for which the
- 29 brewer holds a brewer's permit issued under this chapter if the
- 30 address is located within the same city boundaries in which the
- 31 beer was manufactured.
- 32 **(J) Sell the brewer's beer to consumers for carryout at a**
- 33 **farmers' market that is operated on a nonprofit basis. The**
- 34 **delivery to a consumer may be made only in a quantity of**
- 35 **not more than five hundred seventy-six (576) ounces at any**
- 36 **one (1) time, but the beer must be contained in bottles or**
- 37 **other permissible containers. The beer sold under this**
- 38 **clause must be placed in the bottle or container at the**
- 39 **brewer's permit premises.**
- 40 **(K) With the approval of the commission, participate:**
- 41 **(i) individually; or**
- 42 **(ii) with other permit holders under this chapter;**



in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(6) If the brewer's brewery manufactures more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than thirty thousand (30,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

(7) Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

(8) Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

(9) For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 3. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the



- 1 commission;
- 2 (3) is entitled to sell the winery's wine on the licensed premises to
- 3 consumers either by the glass, or by the bottle, or both;
- 4 (4) is entitled to sell the winery's wine to consumers by the bottle
- 5 at a farmers' market that is operated on a nonprofit basis;
- 6 (5) is entitled to sell wine by the bottle or by the case to a person
- 7 who is the holder of a permit **issued under IC 7.1-3-13** to sell
- 8 wine at wholesale;
- 9 **(6) is entitled to sell, by the bottle or by the case, not more**
- 10 **than a total of five thousand (5,000) gallons of wine that is**
- 11 **priced at less than three hundred one dollars (\$301) per gallon**
- 12 **during a permit year to a holder of a:**
- 13 **(A) wine retailer's permit issued under IC 7.1-3-14; or**
- 14 **(B) wine dealer's permit issued under IC 7.1-3-15;**
- 15 ~~(6)~~ (7) is exempt from the provisions of IC 7.1-3-14;
- 16 ~~(7)~~ (8) is entitled to advertise the name and address of any retailer
- 17 or dealer who sells wine produced by the permit holder's winery;
- 18 ~~(8)~~ (9) for wine described in IC 7.1-1-2-3(a)(4):
- 19 (A) may allow transportation to and consumption of the wine
- 20 on the licensed premises; and
- 21 (B) may not sell, offer to sell, or allow the sale of the wine on
- 22 the licensed premises;
- 23 ~~(9)~~ (10) is entitled to purchase and sell bulk wine as set forth in
- 24 this chapter;
- 25 ~~(10)~~ (11) is entitled to sell wine as authorized by this section for
- 26 carryout on Sunday; and
- 27 ~~(11)~~ (12) is entitled to sell and ship the farm winery's wine to a
- 28 person located in another state in accordance with the laws of the
- 29 other state.
- 30 (b) With the approval of the commission, a holder of a permit under
- 31 this chapter may conduct business at not more than three (3) additional
- 32 locations that are separate from the winery. At the additional locations,
- 33 the holder of a permit may conduct any business that is authorized at
- 34 the first location, except for the manufacturing or bottling of wine.
- 35 (c) With the approval of the commission, a holder of a permit under
- 36 this chapter may, individually or with other permit holders under this
- 37 chapter, participate in a trade show or an exposition at which products
- 38 of each permit holder participant are displayed, promoted, and sold.
- 39 The commission may not grant approval under this subsection to a
- 40 holder of a permit under this chapter for more than forty-five (45) days
- 41 in a calendar year.
- 42 SECTION 4. IC 7.1-3-13-2.5, AS AMENDED BY P.L.186-2011,



SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.5. All premises to be used by an applicant for a wine wholesaler's permit must be described in the application for the permit and in the permit, if the permit is issued. A wine wholesaler may not keep or store wine at any place other than the premises described in the wine wholesaler's application and permit. A person who holds a wine wholesaler's permit and who also holds a beer wholesaler's permit is not disqualified from using multiple premises for the storage of wine because the person holds a beer wholesaler's permit. The holder of a wine wholesaler's permit ~~issued under~~ **described in IC 7.1-4-4.1-13(c)** may enter into an agreement to:

(1) locate the wine wholesaler's business within the licensed premises of a farm winery or a farm winery brandy distiller; or

(2) use goods and services provided by a farm winery or a farm winery brandy distiller;

or both.

SECTION 5. IC 7.1-3-27-6, AS ADDED BY P.L.109-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. **(a)** A holder of an artisan distiller's permit may also hold one (1) of the following:

(1) A farm winery permit.

(2) A brewer's permit for a brewery described in IC 7.1-3-2-7(5).

(3) A distiller's permit under IC 7.1-3-7.

(b) A holder of an artisan distiller's permit who also holds a permit described under subsection (a)(2) may hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant as described in IC 7.1-3-2-7(5)(C).

SECTION 6. IC 7.1-3-27-7, AS ADDED BY P.L.109-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) This section applies only to a person that, on January 1, 2014:

(1) holds the necessary permit or license from the United States to own or operate an establishment to manufacture liquor; and

(2) does not hold any of the permits listed in section 5(a)(1) of this chapter.

(b) A person must meet all the following requirements to be eligible for an artisan distiller's permit under this section:

(1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:

(A) must have ~~held for at least three (3) years~~ **an employee a** permit under IC 7.1-3-18-9 that authorizes the person to



- 1 perform bartending duties;
- 2 (B) must have completed any alcohol server program or
- 3 alcohol server training program refresher courses required
- 4 under IC 7.1-3-1.5; and
- 5 (C) may not have any violations under this title.
- 6 (2) The applicant for the artisan distiller's permit and any
- 7 management representative of the applicant must complete an
- 8 alcohol server program or a trainer program established or
- 9 approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than
- 10 one (1) year before the date of the application for the artisan
- 11 distiller's permit.
- 12 (c) Except as provided in subsection (f)(2), the person may not be
- 13 required to fulfill the requirements of section 5 of this chapter.
- 14 (d) If the person is issued an artisan distiller's permit under this
- 15 section, the person must meet the following requirements for the period
- 16 set forth in subsection (e):
- 17 (1) Any person selling or furnishing liquor on the premises of the
- 18 artisan distillery (except for a person under subsection (b)(2))
- 19 must meet the requirements of subsection (b)(1).
- 20 (2) The holder of the artisan distiller's permit and any
- 21 management representative of the holder of the artisan distiller's
- 22 permit must successfully complete refresher courses under
- 23 IC 7.1-3-1.5 not later than three (3) years after the date the holder
- 24 or representative completes the initial server program or trainer
- 25 program.
- 26 (e) A person who is issued an artisan distiller's permit under this
- 27 section must meet the requirements in subsection (d) until the later of:
- 28 (1) three (3) years after the date on which the initial artisan
- 29 distiller's permit is issued; or
- 30 (2) the date that the holder of the artisan distiller's permit has one
- 31 (1) twelve (12) month period without a violation of this title.
- 32 (f) Upon fulfilling the requirements of subsections (d) and (e), a
- 33 person who is issued an artisan distiller's permit under this section must
- 34 meet the following requirements for as long as the person holds the
- 35 permit:
- 36 (1) Any person who sells or furnishes liquor on the premises of
- 37 the artisan distillery (except for a person under subsection (b)(2))
- 38 must have an employee permit under IC 7.1-3-18-9 and be
- 39 otherwise authorized by the commission to perform bartending
- 40 duties. However, the person is not required to
- 41 ~~(A) hold an employee bartending permit for three (3) years~~
- 42 ~~before selling or furnishing liquor; and~~



1 ~~(B)~~ not have any violations under this title.

2 (2) The holder of the artisan distiller's permit and any
3 management representative of the holder of the artisan distiller's
4 permit are subject to the same alcohol server training
5 requirements and refresher course requirements as the holder of
6 an artisan distiller's permit that meets the requirements of section
7 5 of this chapter.

8 SECTION 7. IC 7.1-4-4.1-16, AS AMENDED BY P.L.71-2012,
9 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2014]: Sec. 16. The annual fee for a brewer's permit ~~for the~~
11 ~~manufacture of not more than thirty thousand (30,000) barrels of beer~~
12 ~~in a calendar year for sale or distribution within Indiana~~ **described in**
13 **IC 7.1-3-2-7(5)** is five hundred dollars (\$500).

14 SECTION 8. IC 7.1-5-9-7, AS AMENDED BY P.L.109-2013,
15 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2014]: Sec. 7. **Except as provided in IC 7.1-3-27-6**, it is
17 unlawful for the holder of an artisan distiller's, a distiller's, or a
18 rectifier's permit to own, acquire, possess or cause to be transferred to
19 the holder shares of stock of a corporation that holds an Indiana permit
20 to sell alcoholic beverages at retail, or in a permit to sell at retail in this
21 state, or to own or acquire an interest in the business being conducted
22 under the permit, or in or to shares of stock in a corporation that owns
23 a permit to sell at retail.

24 SECTION 9. IC 7.1-5-9-10, AS AMENDED BY P.L.71-2012,
25 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2014]: Sec. 10. (a) Except as provided in subsection (b), it is
27 unlawful for a holder of a retailer's permit of any type to acquire, hold,
28 own, or possess an interest of any type in a manufacturer's or
29 wholesaler's permit of any type.

30 (b) It is lawful for a holder of a retailer's permit of any type to
31 acquire, hold, own, or possess an interest of any type in:

- 32 (1) a brewer's permit for a brewery ~~that manufactures not more~~
33 ~~than thirty thousand (30,000) barrels of beer in a calendar year for~~
34 ~~sale or distribution within Indiana;~~ **described in IC 7.1-3-2-7(5);**
35 **and**
36 (2) **an artisan distiller's permit if the holder of the retailer's**
37 **permit also holds a brewer's permit described in subdivision**
38 **(1).**

39 SECTION 10. IC 7.1-5-11-1.5, AS AMENDED BY P.L.165-2006,
40 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2014]: Sec. 1.5. (a) Except as provided in **IC 7.1-3-12-5 and**
42 **IC 7.1-3-26**, it is unlawful for a person in the business of selling



1 alcoholic beverages in Indiana or outside Indiana to ship or cause to be
 2 shipped an alcoholic beverage directly to a person in Indiana who does
 3 not hold a valid wholesaler permit under this title. This includes the
 4 ordering and selling of alcoholic beverages over a computer network
 5 (as defined by IC 35-43-2-3(a)).

6 (b) Upon a determination by the commission that a person has
 7 violated subsection (a), a wholesaler may not accept a shipment of
 8 alcoholic beverages from the person for a period of up to one (1) year
 9 as determined by the commission.

10 (c) The commission shall adopt rules under IC 4-22-2 to implement
 11 this section.

12 SECTION 11. IC 14-18-2-3, AS AMENDED BY P.L.71-2012,
 13 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2014]: Sec. 3. (a) As used in this section, "inn" means a public
 15 facility that has the following:

16 (1) At least twenty (20) rooms for the accommodation of
 17 overnight guests.

18 (2) A dining room that offers table service for at least forty (40)
 19 individuals at one (1) time during normal dining hours.

20 (b) A lease and contract authorized by this chapter must include in
 21 its terms the following provisions and conditions:

22 (1) The legal description of the leasehold. A survey for the
 23 description is not required.

24 (2) The term of the lease. The term may not exceed forty (40)
 25 years with two (2) additional options to renew of thirty (30) years
 26 each.

27 (3) Provision for the submission of complete plans and
 28 specifications to the department for review and written approval
 29 before beginning any construction.

30 (4) The manner of payment of rental.

31 (5) The facilities provided will be available to the public without
 32 discrimination and at charges designed to make the facilities
 33 available to a maximum number of the citizens of Indiana.

34 (6) That the rates and fees charged for goods and services on the
 35 leased area will be in accord with those charged at similar
 36 developments in the area.

37 (7) The disposition of the leasehold and improvements at the
 38 termination of the lease.

39 (8) Except as provided in ~~subsection~~ **subsections (c) and (e)**, if
 40 the lease and contract concerns state owned land under the
 41 management and control of the department, including state parks,
 42 a prohibition on the sale or public display of alcoholic beverages



- 1 on the premises.
- 2 (c) A lease and contract authorized by this chapter may permit in its
- 3 terms the retail sale of alcoholic beverages for consumption on the
- 4 licensed premises of an inn if
- 5 ~~(1) the lease and contract concerns federally owned land under~~
- 6 ~~the control and management of the department; and~~
- 7 ~~(2) the lessee or concessionaire applies for and secures the~~
- 8 ~~necessary permits required by IC 7.1.~~
- 9 (d) A lease and contract authorized by this chapter may permit in its
- 10 terms the retail sale of alcoholic beverages for consumption on the
- 11 licensed premises of a public golf course if:
- 12 (1) the lease and contract concerns federally owned land that is:
- 13 (A) under the control and management of the department; and
- 14 (B) located on Brookville Reservoir; and
- 15 (2) the lessee or concessionaire applies for and secures the
- 16 necessary permits required by IC 7.1.
- 17 (e) A lease and contract authorized by this chapter may permit in its
- 18 terms the retail sale of alcoholic beverages for consumption on the
- 19 licensed premises of a pavilion located within Indiana Dunes State Park
- 20 if the lessee or concessionaire applies for and secures the necessary
- 21 permits required by IC 7.1.
- 22 (f) The retail sale of alcoholic beverages on licensed premises
- 23 described in subsections (c), (d), and (e) is subject to any other
- 24 applicable alcoholic beverage provisions under the Indiana Code and
- 25 any rule adopted to implement any other applicable alcoholic beverage
- 26 provisions under the Indiana Code.
- 27 (g) A lease and contract may prescribe other terms and conditions
- 28 that the department considers necessary and advisable to carry out the
- 29 intent and purposes of this chapter.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1116 as introduced.)

Committee Vote: Yeas 11, Nays 1

Representative Dermody

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1116, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-3-27-7, AS ADDED BY P.L.109-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. (a) This section applies only to a person that, on January 1, 2014:

- (1) holds the necessary permit or license from the United States to own or operate an establishment to manufacture liquor; and
- (2) does not hold any of the permits listed in section 5(a)(1) of this chapter.

(b) A person must meet all the following requirements to be eligible for an artisan distiller's permit under this section:

- (1) Any person (except for a person under subdivision (2)) who sells or furnishes liquor by the bottle or glass on the premises of the artisan distillery:
 - (A) must have ~~held for at least three (3) years an employee a~~ permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;
 - (B) must have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and
 - (C) may not have any violations under this title.
- (2) The applicant for the artisan distiller's permit and any management representative of the applicant must complete an

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alcohol server program or a trainer program established or approved under IC 7.1-3-1.5-5.5 or IC 7.1-3-1.5-6 not more than one (1) year before the date of the application for the artisan distiller's permit.

(c) Except as provided in subsection (f)(2), the person may not be required to fulfill the requirements of section 5 of this chapter.

(d) If the person is issued an artisan distiller's permit under this section, the person must meet the following requirements for the period set forth in subsection (e):

(1) Any person selling or furnishing liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must meet the requirements of subsection (b)(1).

(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit must successfully complete refresher courses under IC 7.1-3-1.5 not later than three (3) years after the date the holder or representative completes the initial server program or trainer program.

(e) A person who is issued an artisan distiller's permit under this section must meet the requirements in subsection (d) until the later of:

(1) three (3) years after the date on which the initial artisan distiller's permit is issued; or

(2) the date that the holder of the artisan distiller's permit has one (1) twelve (12) month period without a violation of this title.

(f) Upon fulfilling the requirements of subsections (d) and (e), a person who is issued an artisan distiller's permit under this section must meet the following requirements for as long as the person holds the permit:

(1) Any person who sells or furnishes liquor on the premises of the artisan distillery (except for a person under subsection (b)(2)) must have an employee permit under IC 7.1-3-18-9 and be otherwise authorized by the commission to perform bartending duties. However, the person is not required to

~~(A) hold an employee bartending permit for three (3) years before selling or furnishing liquor; and~~

~~(B) not have any violations under this title.~~



(2) The holder of the artisan distiller's permit and any management representative of the holder of the artisan distiller's permit are subject to the same alcohol server training requirements and refresher course requirements as the holder of an artisan distiller's permit that meets the requirements of section 5 of this chapter."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1116 as printed January 24, 2014.)

ALTING, Chairperson

Committee Vote: Yeas 9, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1116 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit **issued under IC 7.1-3-13** to sell wine at wholesale;

(6) is entitled to sell, by the bottle or by the case, not more

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than a total of five thousand (5,000) gallons of wine that is priced at less than three hundred one dollars (\$301) per gallon during a permit year to a holder of a:

(A) wine retailer's permit issued under IC 7.1-3-14; or

(B) wine dealer's permit issued under IC 7.1-3-15;

~~(6)~~ (7) is exempt from the provisions of IC 7.1-3-14;

~~(7)~~ (8) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

~~(8)~~ (9) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

~~(9)~~ (10) is entitled to purchase and sell bulk wine as set forth in this chapter;

~~(10)~~ (11) is entitled to sell wine as authorized by this section for carryout on Sunday; and

~~(11)~~ (12) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year.

SECTION 2. IC 7.1-3-13-2.5, AS AMENDED BY P.L.186-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2.5. All premises to be used by an applicant for a wine wholesaler's permit must be described in the application for the permit and in the permit, if the permit is issued. A wine wholesaler may not keep or store wine at any place other than the premises described in the wine wholesaler's application and permit. A person who holds a wine wholesaler's permit and who also holds a beer wholesaler's permit is not disqualified from using multiple premises for the storage of wine because the person holds a beer wholesaler's permit. The holder of a



wine wholesaler's permit ~~issued under~~ **described in IC 7.1-4-4.1-13(c)** may enter into an agreement to:

- (1) locate the wine wholesaler's business within the licensed premises of a farm winery or a farm winery brandy distiller; or
- (2) use goods and services provided by a farm winery or a farm winery brandy distiller;

or both."

Page 3, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 4. IC 7.1-5-11-1.5, AS AMENDED BY P.L.165-2006, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 1.5. (a) Except as provided in **IC 7.1-3-12-5** and IC 7.1-3-26, it is unlawful for a person in the business of selling alcoholic beverages in Indiana or outside Indiana to ship or cause to be shipped an alcoholic beverage directly to a person in Indiana who does not hold a valid wholesaler permit under this title. This includes the ordering and selling of alcoholic beverages over a computer network (as defined by IC 35-43-2-3(a)).

(b) Upon a determination by the commission that a person has violated subsection (a), a wholesaler may not accept a shipment of alcoholic beverages from the person for a period of up to one (1) year as determined by the commission.

(c) The commission shall adopt rules under IC 4-22-2 to implement this section."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1116 as printed February 28, 2014.)

GLICK

SENATE MOTION

Madam President: I move that Engrossed House Bill 1116 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 7.1-3-2-2, AS AMENDED BY P.L.71-2012, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. (a) The commission may issue a brewer's permit for a brewery that manufactures more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana. The commission may issue a permit under this

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subsection only to:

- (1) an individual;
- (2) a partnership, all the partners of which are bona fide residents of Indiana;
- (3) a limited liability company, all the members of which are bona fide residents of Indiana; or
- (4) a corporation organized and existing under the laws of Indiana and having authority under its charter to manufacture or sell beer.

The permit does not limit the number of barrels of beer in a calendar year that the brewer may manufacture for sale or distribution outside Indiana.

(b) The commission may issue a brewer's permit to a brewer for a brewery that manufactures not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana.

The following may not be counted toward the barrel limit under this subsection:

- (1) The brewery's beer that is sold at a restaurant of which the holder of the brewer's permit is the proprietor.**
- (2) The brewery's beer sold by the glass for consumption on the permit premises as described in section 7(5)(G) of this chapter.**
- (3) Complimentary samples of the brewery's beer offered to consumers for consumption on the permit premises.**

(c) The commission may issue a permit under ~~this~~ subsection (b) only to:

- (1) an individual;
- (2) a partnership organized and existing under the laws of Indiana;
- (3) a limited liability company organized and existing under the laws of Indiana; or
- (4) a corporation organized and existing under the laws of Indiana.

The permit does not limit the number of barrels of beer in a calendar year that the brewer may manufacture for sale or distribution outside Indiana.

SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.71-2012, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.

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- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer's brewery manufactures not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana, **excluding beer sold or offered as described in section 2(b)(1), (2)(b)(2), and 2(b)(3) of this chapter, and the entire brewing process of that beer occurs in Indiana**, the permit holder may do the following:
 - (A) Sell and deliver beer to a person holding a retailer or a dealer permit under this title.
 - (B) Be the proprietor of a restaurant.
 - (C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).
 - (D) Transfer beer directly from the brewery to the restaurant by means of:
 - (i) bulk containers; or
 - (ii) a continuous flow system.
 - (E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.
 - (F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.
 - (G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must furnish the minimum food requirements prescribed by the commission.
 - (H) Sell and deliver beer to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.
 - (I) Sell the brewery's beer as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer was manufactured.
 - (J) Sell the brewer's beer to consumers for carryout at a**



farmers' market that is operated on a nonprofit basis. The delivery to a consumer may be made only in a quantity of not more than five hundred seventy-six (576) ounces at any one (1) time, but the beer must be contained in bottles or other permissible containers. The beer sold under this clause must be placed in the bottle or container at the brewer's permit premises.

(K) With the approval of the commission, participate:

(i) individually; or

(ii) with other permit holders under this chapter;

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(6) If the brewer's brewery manufactures more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than thirty thousand (30,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

(7) Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

(8) Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.

(9) For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 3. IC 7.1-3-27-6, AS ADDED BY P.L.109-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2014]: Sec. 6. (a) A holder of an artisan distiller's permit may also hold one (1) of the following:

- (1) A farm winery permit.
- (2) A brewer's permit for a brewery described in IC 7.1-3-2-7(5).
- (3) A distiller's permit under IC 7.1-3-7.

(b) A holder of an artisan distiller's permit who also holds a permit described under subsection (a)(2) may hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant as described in IC 7.1-3-2-7(5)(C)."

Page 3, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 5. IC 7.1-4-4.1-16, AS AMENDED BY P.L.71-2012, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 16. The annual fee for a brewer's permit ~~for the manufacture of not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana~~ **described in IC 7.1-3-2-7(5)** is five hundred dollars (\$500).

SECTION 6. IC 7.1-5-9-7, AS AMENDED BY P.L.109-2013, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 7. **Except as provided in IC 7.1-3-27-6**, it is unlawful for the holder of an artisan distiller's, a distiller's, or a rectifier's permit to own, acquire, possess or cause to be transferred to the holder shares of stock of a corporation that holds an Indiana permit to sell alcoholic beverages at retail, or in a permit to sell at retail in this state, or to own or acquire an interest in the business being conducted under the permit, or in or to shares of stock in a corporation that owns a permit to sell at retail.

SECTION 7. IC 7.1-5-9-10, AS AMENDED BY P.L.71-2012, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 10. (a) Except as provided in subsection (b), it is unlawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in a manufacturer's or wholesaler's permit of any type.

(b) It is lawful for a holder of a retailer's permit of any type to acquire, hold, own, or possess an interest of any type in:

- (1) a brewer's permit for a brewery that manufactures not more than thirty thousand (30,000) barrels of beer in a calendar year for sale or distribution within Indiana; described in IC 7.1-3-2-7(5); and**



(2) an artisan distiller's permit if the holder of the retailer's permit also holds a brewer's permit described in subdivision (1)."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1116 as printed February 28, 2014.)

BANKS

